

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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BILL DRAFT 2009-SVxz-17 [v.4] (03/22)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

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Short Title: Modernize Admissions Tax.

(Public)

Sponsors: Unknown.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO MODERNIZE AND EQUALIZE THE ADMISSIONS TAX BY EXTENDING
IT TO INTERNET TICKET RESELLERS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-37.1 reads as rewritten:

"§ 105-37.1. Dances, athletic events, shows, exhibitions, and other entertainments.

(a) Scope. – A privilege tax is imposed on the gross receipts of a person who is engaged in any of the following:

- (1) Giving, offering, or managing a dance or an athletic contest for which an admission fee in excess of fifty cents (50¢) is charged.
- (2) Giving, offering, or managing a form of amusement or entertainment that is not taxed by another provision of this Article and for which an admission fee is charged.
- (3) Exhibiting a performance, show, or exhibition, such as a circus or dog show, that is not taxed by another provision of this Article.
- (4) The business of reselling admission tickets on the Internet under G.S. 14-344.1 for an event venue located in this State.

(b) Rate and Payment. – The rate of the privilege tax is three percent (3%) of the gross receipts from the activities described in subsection (a) of this section. For taxes imposed under subdivision (a)(4) of this section, gross receipts exclude the price printed on the face of the ticket. The tax is due when a return is due. A return is due by the 10th day after the end of each month and covers the gross receipts received during the previous month.

(c) Advance Report. – A person who owns or controls a performance, show, or exhibition subject to the tax imposed by this section and who plans to bring the performance to this State from outside the State must file a statement with the Secretary that lists the dates, times, and places of the performance, show, or exhibition. The statement must be filed no less than five days before the first performance, show, or exhibition in this State.

(d) Local Taxes. – Cities may levy a license tax on a person taxed under subdivision (a)(1) or (a)(2) of this section; however, the tax may not exceed twenty-five dollars (\$25.00). Cities may levy a license tax on a person taxed under subdivision (a)(3) of this section; however, the tax may not exceed twenty-five dollars (\$25.00) for each day or part of a day the performance, show, or exhibition is given at each location. Cities may not levy a license tax on a person taxed under subdivision (a)(4) of this section.

1 ~~Counties may not levy a license tax on a person taxed under subdivision (a)(1) or (a)(2) of~~
2 ~~this section.~~ Counties may levy a license tax on a person taxed under subdivision (a)(3) to the
3 same extent as a ~~city~~ city, but a county may not levy a license tax on a person taxed under any
4 other subdivision of this section."

5 **SECTION 2.** G.S. 14-344.1(e) is repealed.

6 **SECTION 3.** If any provision of this act is declared by a court to violate the
7 Internet Tax Freedom Act, Pub. L. 105-277, §§ 1100-1104, as amended, or is otherwise found
8 to be invalid, then G.S. 14-344.1 is repealed.

9 **SECTION 4.** Sections 1 and 2 of this act become effective January 1, 2011, and
10 apply to tickets resold on or after that date. The remainder of this act is effective when it
11 becomes law.